

HUMAN SERVICES DEPARTMENT[441]

Adopted and Filed Emergency

Pursuant to the authority of Iowa Code section 249A.4, the Department of Human Services amends Chapter 79, “Other Policies Relating to Providers of Medical and Remedial Care,” and Chapter 81, “Nursing Facilities,” Iowa Administrative Code.

In 2010 Iowa Acts, House File 2526, section 11(13), as amended by 2010 Iowa Acts, House File 2531, section 204, the General Assembly directed the Department to increase reimbursement to the University of Iowa Hospitals and Clinics for inpatient and outpatient hospital services by up to \$9,900,000. The state share of this increase is to be funded by the University of Iowa Hospitals and Clinics through certified public expenditures or a transfer to the medical assistance appropriation. Items 1 and 2 of these amendments incorporate this additional payment into the reimbursement methodology for inpatient and outpatient hospital services.

In 2010 Iowa Acts, Senate File 2156, section 16, the General Assembly amended Iowa Code section 249J.21 to remove language limiting payments to government-owned or government-operated nursing facilities to the facilities’ costs. Item 3 of these amendments removes the corresponding language from the reimbursement methodology for nursing facilities.

These amendments do not provide for waivers in specified situations since they benefit the facilities affected. Requests for the waiver of any rule may be submitted under the Department’s general rule on exceptions at 441—1.8(17A,217).

The Council on Human Services adopted these amendments on August 11, 2010.

In compliance with Iowa Code section 17A.4(3), the Department finds that notice and public participation are unnecessary because these amendments are required by state legislation.

The Department also finds that these amendments confer a benefit on the facilities affected by increasing reimbursement. Therefore, these amendments are filed pursuant to Iowa Code section 17A.5(2)“b”(2), and the normal effective date of these amendments is waived.

These amendments are intended to implement 2010 Iowa Acts, House File 2526, section 11(13), as amended by 2010 Iowa Acts, House File 2531, section 204, and Iowa Code section 249J.21 as amended by 2010 Iowa Acts, Senate File 2156, section 16.

These amendments became effective on August 12, 2010.

The following amendments are adopted.

ITEM 1. Adopt the following **new** paragraph **79.1(5)“z”**:

z. Final settlement for state-owned teaching hospital.

(1) Effective July 1, 2010, total annual payments to an Iowa state-owned hospital for inpatient and outpatient hospital services shall equal 100 percent of allowable medical assistance program costs, not to exceed the sum of the following:

1. Payments for inpatient hospital services calculated in accordance with subrule 79.1(5), plus
2. Payment for outpatient hospital services calculated in accordance with subrule 79.1(16), plus
3. \$9,900,000.

(2) One-twelfth of the \$9,900,000 increase in reimbursement shall be distributed to the hospital on a monthly basis.

(3) The Iowa Medicaid Enterprise shall complete a final settlement based on the hospital’s Medicare cost report. If the aggregate payments are less than the hospital’s actual medical assistance program costs, no additional payment shall be made.

(4) If the sum of the inpatient hospital service payments plus outpatient hospital service payments plus the \$9,900,000 exceeds 100 percent of allowable inpatient and outpatient costs, the department shall request and collect from the hospital the amount by which payments exceed actual medical assistance program costs.

ITEM 2. Adopt the following **new** paragraph **79.1(16)“w”**:

w. Final settlement for state-owned teaching hospital.

(1) Effective July 1, 2010, total annual payments to an Iowa state-owned hospital for inpatient and outpatient hospital services shall equal 100 percent of allowable medical assistance program costs, not to exceed the sum of the following:

1. Payments for inpatient hospital services calculated in accordance with subrule 79.1(5), plus
2. Payment for outpatient hospital services calculated in accordance with subrule 79.1(16), plus
3. \$9,900,000.

(2) One-twelfth of the \$9,900,000 increase in reimbursement shall be distributed to the hospital on a monthly basis.

(3) The Iowa Medicaid Enterprise shall complete a final settlement based on the hospital's Medicare cost report. If the aggregate payments are less than the hospital's actual medical assistance program costs, no additional payment shall be made.

(4) If the sum of the inpatient hospital service payments plus outpatient hospital service payments plus the \$9,900,000 exceeds 100 percent of allowable inpatient and outpatient costs, the department shall request and collect from the hospital the amount by which payments exceed actual medical assistance program costs.

ITEM 3. Rescind subparagraph **81.6(4)“a”(4)**.

[Filed Emergency 8/11/10, effective 8/12/10]

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